

STATE OF DELAWARE
SINGLE POINT OF CONTACT - SPOC
INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS
 Office of Management and Budget
 Haslet Building, 3rd Floor, Dover, Delaware
 (302) 739-4206

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Amendment 1

1. STATE APPLICATION IDENTIFIER:

S9-06-15-05

SPOC use ONLY

Month

Reviewer

CC's

2. Applicant Project Title: Neighborhood Stabilization Program (NSP2) - ARRA

3. Applicant Department: Executive

4. Applicant Division/APU: Delaware State Housing Authority

5. Applicant Address: 118 The Green, Dover, DE 19901

6. Contact Person: Andrew Lorenz

7. Contact Person's Phone Number: (302) 739-4263

8. Signature of Secretary or Agency Head (for state agencies) or Chief Administrator (for all other applicants)

Douglas P. Croft

9. Federal Grantor Department: Dept. of Housing & Urban Development

10. Federal Sub-Agency: Community Planning & Development

11. Federal Contact Person: Stanley Givoni, Director, Office of Block Grant Assistance

12. Phone Number: (202) 703-3587

13. Address: U.S. Dept. of Housing & Urban Development, Office of Block Grant Assistance, 451 M Street, S.W., Room 7200, Washington, D.C. 20410

14. Federal Program Title:

15. FEDERAL CATALOG NO:
(CFDA)

Neighborhood Stabilization Program (NSP2) - ARRA

14 256

16. Project Description:

The Recovery Act established the Neighborhood Stabilization Program (NSP2) as a competitive program to promote neighborhood stabilization through acquisition and rehabilitation, land banking, disposition or demolition of abandoned and foreclosed residential property. Also, to develop viable communities by providing decent economic opportunities, principally for persons of low and moderate income.

17. Will funds be utilized for any technology initiatives? ☐ Yes ☒ No If so, Business Case Number and brief project summary:

18. Measurable Objectives:

a. What were last year's objectives?

N/A

b. Were these objectives met? (If not, please explain why)

N/A

c. What are this year's objectives?

The Neighborhood Stabilization Program (NSP2) will fund eligible activities that include: establishing financing mechanisms for the purchase and redevelopment of foreclosed homes, purchase and rehabilitate homes that have been abandoned or foreclosed upon in order to sell or rent, establish land banks, derelict structures and redevelop demolished or vacant properties to stabilize property values, prove neighborhood blight while contributing to the Recovery Act's goal of creating and preserving jobs.

(If more space is needed, please attach a separate sheet of paper)

19. Grant Period:

From: 09/30/2009

To: 09/30/2012

20. How many years has this project been funded:

21. If the project was funded last year, how much federal money was awarded?

22. Source of funding for this application:

Dollars

a. Federal grant	\$8,500,000
b. Other federal funds (Specify source of funding)	
c. Required state contribution (Specify source of funding)	
d. Discretionary state contribution (Specify source of funding)	
e. Required local contribution (Specify source of funding)	
f. Other non- federal funds (Specify source of funding)	
TOTAL	\$8,500,000

23. Budget by cost category and source:

Federal
Funds

State
Funds

Other
Funds

Total
Funds

Salaries & Fringe Benefits				
Personal or Contractual Services				
Travel				
Supplies & Materials				
Capital Expenditures				
Audit Fees				
Indirect Costs (Administrative Fees)	\$850,000			
Other Grants	\$7,650,000			
TOTAL	\$8,500,000			

24. How many positions are required for the project? No State Positions associated to this supplemental funding.

Breakdown of position(s)	Authorized in State Budget	New Positions Required	Total
Paid for out of federal funds			
Paid for out of General Funds			
Paid for out of state special funds			
Paid for out of bond/local/other funds			
TOTAL			

25. PLEASE NOTE: On a separate piece of paper, please give position number, grade, yearly salary and percent of funding (federal, state, local, other) and the full-time equivalent for all positions required. Please identify the new positions by placing an asterisk before the position title. If this grant funds positions within other departments, divisions and/or offices, please list them. If a position has been reallocated to or from another grant please indicate the grant source.



Neighborhood Stabilization Program (Recovery Act Funded)

Number: 14.256

Agency: Department of Housing and Urban Development

PROGRAM INFORMATION

Authorization (040):

American Recovery and Reinvestment Act of 2009, Public Law 111-5.

Objectives (050):

Neighborhood stabilization through acquisition and rehabilitation, land banking, disposition, or demolition of abandoned and foreclosed residential property. Also, to develop viable urban communities, by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income.

Types of Assistance (080):

Project Grants

Uses and Use Restrictions (070):

Recipients may undertake a wide range of activities directed toward neighborhood stabilization. Applicants develop their own programs and funding priorities as long as programs/activities conform to the statutory standards and program regulations. Some of the specific activities that can be carried out with Neighborhood Stabilization - 2009

funds include acquisition of real property; relocation; clearance and demolition; land banking, rehabilitation of residential and structures.

In addition, NSP funds may be used to pay for homeownership counseling within certain limits. Recipients may partner with or contract with other local agencies or nonprofit organizations to carry out part or all of their programs.

All eligible activities must benefit persons whose income is at or below 120 percent of area median income.

No funds may be used for ineligible activities or those that do not benefit the target populations. All funds must be used within 3 years of the date funds are available to the grantee for obligation. All eligible activities must benefit persons whose income is at or below 120 percent of area median income.

No funds may be used for ineligible activities or those that do not benefit the target populations. All funds must be used prior to statutory deadline[A1].

Eligibility Requirements (080)

Applicant Eligibility (081):

Government - General: Construction/Renewal/Rehabilitation. State (includes District of Columbia, public Institutions of higher education and hospitals): Construction/Renewal/Rehabilitation. Local (includes

State-designated Indian Tribes, excludes Institutions of higher education and hospitals):

Construction/Renewal/Rehabilitation. Public nonprofit institution/organization (includes Institutions of higher

education and hospitals): Construction/Renewal/Rehabilitation. Private nonprofit institution/organization (includes Institutions of higher education and hospitals): Construction/Renewal/Rehabilitation

Beneficiary Eligibility (082):

Low Income

Credentials/Documentation (083):

Costs will be determined in accordance

with OMB Circular No. A-87 for State and local governments or A-122 for nonprofit entities. OMB Circular No. A-87 applies to this program.

Application and Award Process (090)

Preapplication Coordination (091):

A grantee is required to publish[A2] a proposed application which includes a description of activities in sufficient detail, including location or targeted areas, to afford affected citizens an opportunity to submit views and comments prior to the preparation of a submission; prepare and submit a final application to HUD. This program is covered under E.O. 12372, "Intergovernmental Review of Federal Programs." Recipients should consult the office or the official designated as the single point of contact in its respective State for more information on the process the State requires to be followed when funds are used for the planning or the construction (reconstruction or rehabilitation) of water or sewer facilities. Environmental impact information is not required for this program. This program is eligible for coverage under E.O. 12372, "Intergovernmental Review of Federal Programs." An applicant should consult the office or official designated as the single point of contact in his or her State for more information on the process the State requires to be followed in applying for assistance, if the State has selected the program for review.

Application Procedures (092):

This program is excluded from coverage under OMB Circular No. A-102. This program is excluded from coverage under OMB Circular No. A-110. Submit an application, SF Form 424, and certifications to HUD. The application must include the elements required in the notice of fund availability, including the proposed use of the funds. If the grantee makes a complete submission within the established deadlines, the Department will review and score the application. If the proposal is selected, HUD will make an award.

Award Procedure (093):

To be announced.

Deadlines (094):

Contact the headquarters or regional office, as appropriate, for application deadlines.

Range of Approval/Disapproval Time (095):

From 60 to 90 days. NOFA must be issued no later than 75 days after enactment of ARRA. HUD must award funds within 150 days after enactment and obligate all funds within one year of enactment.

Appeals (096):

To be announced.

Renewals (097):

None.

Assistance Consideration (100)

Formula and Matching Requirements (101):

This program has no statutory formula. This program has no matching requirements. This program does not have MOE requirements.

Length and Time Phasing of Assistance (102):

Funds remain available for obligation by the agency until September 30, 2010. Grantees are to expend 50 percent of funds allocated within two years of the funds being made available by the agency and 100 percent of funds within three years. See the following for information on how assistance is awarded/released: No information provided.

Post Assistance Requirements (110)

Reports (111):

Program reports are not applicable. Cash reports are not applicable. Progress reports are not applicable. Expenditure reports are not applicable. Performance targets initially submitted in the disaster recovery grant reporting system (DRGR), then reported on quarterly by grantee.

Audits (112):

In accordance with the provisions of OMB Circular No. A-133 (Revised, June 27, 2003), "Audits of States, Local Governments, and Non-Profit Organizations," nonfederal entities that expend financial assistance of \$500,000 or

more in Federal awards will have a single or a program-specific audit conducted for that year. Nonfederal entities that expend less than \$500,000 a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in Circular No. A-133. In accordance with the provisions of OMB Circular No. A-133 (Revised, June 27, 2003), "Audits of State and Local Governments and Nonprofit Organizations," nonfederal entities that expend \$500,000 or more in Federal awards in a year shall generally have a single audit conducted for that year. (The auditee may elect to have a program-specific audit conducted under certain limited circumstances.)

Records (113):

Per The applicant must maintain records with regard to eligibility, national objectives, financial management, citizen participation, relocation, other resources, acquisition, housing

assistance to units and households, equal opportunity, environmental impact, labor standards and other requirements set forth in regulations.

Records shall be retained for four years after submission of the report

in which the activity is reported as completed, except as otherwise prescribed in the published regulations.

Financial Information (120)

Account Identification (121):

86-0161-0-1-451 - 86-0161 2009/2010.

Obligations (122):

(Project Grants) FY 08 \$0; FY 09 est \$0; FY 10 est \$2,000,000,000

Range and Average of Financial Assistance (123):

To be announced.

Program Accomplishments (130):

Fiscal Year 2008: N/A. Fiscal Year 2009: Eligible activities include creation of financing mechanisms to stimulate recovery of foreclosed homes for productive use; housing acquisition, rehabilitation, demolition, and redevelopment; and demolition of blighted properties. Fiscal Year 2010: Eligible activities include creation of financing mechanisms to stimulate recovery of foreclosed homes for productive use; housing acquisition, rehabilitation, demolition, and redevelopment; and demolition of blighted properties.

Regulations, Guidelines, and Literature (140):

Administrative Regulations for Community Development Block Grants, 24 CFR 570, and published Federal Register Notices.

Information Contacts (150)

Regional or Local Office (151) :

See Regional Agency Offices. Contact appropriate HUD Field Office listed in Appendix IV of the Catalog.

Headquarters Office (152):

Community Planning and Development 451 7th Street, S.W., Washington 20410 Email: Jessie.handforth.kome@hud.gov Phone: (202) 708-3587

Website Address (153):

<http://www.hud.gov>

Related Programs (160):

14.218 Community Development Block Grants/Entitlement Grants; 14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii; 14.256 Neighborhood Stabilization Program (Recovery Act Funded)

Examples of Funded Projects (170):

Not Applicable.

Criteria for Selecting Proposals (180):

• 14.256 - Neighborhood Stabilization Program (Recovery Act Funded... https://www.cfda.gov/index?print_preview=1&cs=program&mode=f...

To be announced. Will be delineated in the NOFA. Statute directs that criteria will include at minimum capacity to execute projects, leveraging potential, and concentration of investment to achieve neighborhood stabilization.

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a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
There are five eligible uses under NSP2 (and a greater number of possible activities): establishment of financing mechanisms for purchase of foreclosed homes; purchase and rehabilitation of abandoned or foreclosed homes; land banking of foreclosed homes; demolition of blighted structures; and redevelopment of vacant or demolished property	\$1,930,000,000.00
NSP TA will provide technical assistance to NSP1 and 2 grantees to increase their capacity to carry out neighborhood stabilization programs	\$50,000,000.00
HUD will provide training, technical assistance, monitoring, enforcement, research and evaluation activities	\$20,000,000.00
TOTAL	\$2,000,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs; (2) allocating the credit markets and supporting shovel-ready projects; and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$2 billion appropriation for the Neighborhood Stabilization Program (NSP).

NSP provides assistance for the redevelopment of abandoned and foreclosed homes and residential properties in order that such properties be returned to productive use or made available for redevelopment purposes. NSP has five eligible uses: establishment of financing mechanisms for purchase of foreclosed homes; purchase and rehabilitation of abandoned or foreclosed homes; land banking of foreclosed homes; demolition of blighted structures; and redevelopment of vacant or demolished property.

NSP was initially established by the Housing and Economic Recovery Act of 2008 (HERA). The HERA version of NSP (NSP1) provided \$3.92 billion in funding for emergency assistance to states and local governments. The Recovery Act provides an additional \$2 billion in NSP funding (NSP2) but makes several fundamental alterations to the program. First, the Recovery Act establishes NSP2 as a competitive program as opposed to the formula distribution. Second, NSP2 funding is available to non-profit organizations, as well as states and local governments. NSP is considered to be a component of the Community Development Block Grant (CDBG) program and basic CDBG requirements govern the NSP program. Recovery Act funding will also provide \$50 million of the \$2 billion for NSP technical assistance (NSP TA) to improve the capacities of NSP1 and 2 communities to swiftly carry out high-performing, compliant neighborhood stabilization programs.

The expected benefits of NSP are to stabilize property values and prevent neighborhood blight. In addition, we will contribute to HUD's overriding goal of creating and preserving jobs. NSP2 will provide fund-



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ing for the purchase and/or redevelopment of thousands of foreclosed and abandoned homes and properties across the nation. These actions will help to stabilize neighborhoods by limiting the downward pull that vacant properties exert on surrounding properties and will provide the opportunity for thousands of households to realize or regain the ability to own their own home. It will also aid communities by providing a ready source of funding to demolish and clear blighted structures or to land bank real property until such time as demand can be re-established. Further, the inclusion of non-profit organizations as eligible grantees in NSP2 will foster greater innovation in support of the goals of the program and offers the opportunity to increase coordination and cooperation between the public and private sectors.

c. ACTIVITIES:

Kinds and scope of projects and activities: NSP2 grantees have the opportunity to develop programs responsive to local real estate market conditions by choosing among the five eligible uses of NSP funds. Those uses are: (1) establishment of financing mechanisms for purchase of foreclosed homes; (2) purchase and rehabilitation of abandoned or foreclosed homes; (3) land banking of foreclosed homes; (4) demolition of blighted structures and/or redevelopment that lead to demolished property. As NSP2 is a new competitive program open to states, local governments and non-profit organizations, HUD cannot estimate the nature and scope of programs that applicants may propose or that may ultimately be selected for funding. HUD will manage NSP2 funds under a demand-response system that will direct individual grantee and group technical assistance as requested by HUD or grantees to address risk and/or capacity issues in implementing NSP2 and

Project/Activity: There are five eligible uses under NSP2 (and a greater number of possible activities): establishment of financing mechanisms for purchase of foreclosed homes; purchase and rehabilitation of abandoned or foreclosed homes; land banking of foreclosed homes; demolition of blighted structures; and redevelopment of vacant or demolished property.

Description: As NSP2 is a new competitive program open to states, local governments and non-profit organizations, HUD cannot yet estimate the nature and scope of programs that applicants may propose or that may ultimately be selected for funding.

Funding: \$1,930,000,000.00

Project/Activity: NSP TA will provide technical assistance to NSP1 and 2 grantees to increase their capacity to carry out neighborhood stabilization programs.

Description: NSP TA will use the demand-response system to determine which communities need assistance. HUD plans to direct some of the assistance to NSP1 high risk grantees to provide on-site assistance to meet the statutory fund use deadline. HUD HQ, selected field offices, and grantees will also be able to request or direct TA to address specific capacity needs. TA may include, but is not limited to, individual on-site consultation and training, group training, web materials, and printed materials such as detailed model programs

Funding: \$50,000,000.00



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Project/Activity: HUD will provide training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build IT systems and work with grantees to ensure effective and efficient implementation.

Funding: \$20,000,000.00

d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$1,930,000,000.00

Methodology for Award Selection: NSP 2 is a competition and applicants are required to meet minimum thresholds, and are required to respond to identified criteria found in the Notice of Funding Availability (NOFA). The maximum number of points achievable is 140 points, and applicants must score at least 115 points to be considered in the fundable range. HUD reserves the right to make adjustments within the fundable range.

Type(s) of Recipients: Government - State, Government - Local, City or Township, for profits

Type(s) of Beneficiaries: Government - Public Nonprofit Institution/Organization, Government - Other Public Institutions/Organizations, Government - Federally Recognized Indian Tribal Governments, Government - US Territories and Possessions, Non-Government - Private Nonprofit Institution/Organization, Non-Government - Quasi-Public, Nonprofit Institution/Organization, Interstate, Intra-state, State, Local - County, Local - City or Township, Regional Organization, Public nonprofit institution/organization, Other public institution/organization, Federally Recognized Indian Tribal Government, US Territories, Individual/Family, Small business (as defined in 13 CFR Part 121), Indian/Native American Tribal Government (Federally Recognized), Public/Indian Housing Authority, Nonprofit with 501(c)(3) IRS Status (Other than Institution of Higher Education), Nonprofit without 501(c)(3) status (Other than Institution of Higher Education), Private Institution of Higher Education, Individual, For Profit Organization (Other than Small Business), Hispanic-serving Institution, Profit organization, Private nonprofit institution/organization, Quasi-public nonprofit organization, Other private institution/organization, Anyone/general public, Major Metropolis (over 250,000), Other Urban, Suburban, Rural, Low Income, Moderate Income, Pension Recipient, Welfare Recipient, Unemployed, Senior Citizen (60+), Alcoholic Drug Addict, Mentally Disabled, Physically Afflicted (e.g., TB, Arthritis, Heart Disease), Persons with Disabilities, Women, Veteran/Service person/Reservist (including dependents), Refugee/Alien, US Citizen, Other Non-White, Asian, Spanish Origin American Indian African American Land/Property Owner Homeowner Consumer, Small Business Person (an owner or employee as defined in 13 CFR Part 121), Industrialist/Business person, Farmer/Rancher/Agriculture Producer, Builder/Contractor/Developer, Engineer/Architect, Artist/Humanist Scientist/Researchers, Graduate Student

Type of Financial Award: B - Project Grants

Funding Amount: \$50,000,000.00



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Methodology for Award Selection: NSP TA is a competition and applications are required to meet minimum thresholds and are evaluated according to the published rating factors in the Notice of Funding Availability. The maximum number of points achievable is 100 points and applicants must score at least 75 points to be considered in the fundable range. HUD reserves the right to select a single national provider.

Type(s) of Recipients: Technical assistance providers such as nonprofits, for profits, Government – State, Government – Local-County, Government – Local-City or Township,

Type(s) of Beneficiaries: Government - Public Nonprofit Institution/Organization, Government - Other Public Institutions/Organizations, Government - Federal Recognized Indian Tribal Governments, Government - US Territories and Possessions, Non-Government - Private, Nonprofit Institution/Organization, Non-Government - Quasi-Public Nonprofit Institution/Organization, Interstate, Intrastate, State, Local - County, Local - City or Township, Regional Organization, Public Nonprofit Institution/Organization, Other public institution/organization, Federally recognized Indian Tribal Governments, US Territories, Indian/Native American Tribal Government, Federally Recognized Public Indian Housing Authority, Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education), Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education), Private Institution of Higher Education, Individual, Hispanic-serving Institution, Private Nonprofit Institution/Organization, Quasi-Public Nonprofit organization, Other private institution/organization, Any other general public, Major Metropolitan (over 250,000), Other Urban, Suburban, Rural, Low Income, Moderate Income,

Estimated dollar amount of federal in-house activity: \$0,000,000.00

e. DELIVERY SCHEDULE

Milestone Description: Milestones will be related to HUD issuance of the NOFA, application deadlines, award selections for NSP2- TA, scoring determination of applications to determine which ones received at least the minimum number of points for NSP2, identifying applicants that should complete consortia agreements, NSP2 award selections, HUD obligation of NSP2 funds to grants. There are also statutory deadlines for expenditure of 50% of NSP2 funds (2 years from grant agreement), and expenditure of 100% of NSP2 funds (3 years from grant agreement), and reporting achievements (quarterly).

Milestone: All NSP-TA and NSP2 grant agreements executed

Expected Completion Date: 2/17/2010

Milestone: HUD Obligates 100% of funds

Expected Completion Date: 2/17/2010

Milestone: Grantees expend 100% of funds

Expected Completion Date: 2/17/2013



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f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	NSP ACTIVITIES	RA ACTIVITIES
Compliance with National Environmental Policy Act (NEPA)	NEPA reviews are required as in NSP1 and the CDBG program. Some NSP2 grantees (those with governments as applicants) will assume NEPA responsibilities. HUD will do the reviews for non-profit applicants.	N/A
Compliance with National Historic Preservation Act and related statutes	Same as above	N/A
Milestones dependent on environmental review process	Expenditure of 20% of funds within 90 days. Expenditure of 100% of award within 180 days. These milestones must be met or HUD will suspend funds. Funds must be recaptured if not used.	N/A
Potential impact of environmental reviews on project implementation	Environmental review for nonprofits may be a burden on HUD, especially in the field. HUD must do enough part 50 reviews. Delays could occur that may jeopardize milestones above and result in recaptured grant funds.	N/A

g. MEASURES:

The NSP competitive submissions are due July 4, 2009. Before that date, it is premature for HUD to predict the number or characteristics of the applicants and projects. HUD will be evaluating applications and will be able to provide a relatively complete inventory of activities to be assisted with NSP funds following the submissions, and, based on the proposed activities, be able to provide informed estimates for further measures at that time.

Measure: Funds obligated by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.



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Actual: TBD

Goal Lead: Jessie Kome

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

2009 Projections			2010 Projections		
Original Program Target	Revised Program Target	Target (Incremental change in performance)	Original Program Target	Revised Program Target	Target (Incremental change in performance)
0	0	0	0	\$120,000,000	\$120,000,000

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: TBD

Goal Lead: Jessie Kome

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

2009 Projections			2010 Projections		
Original Program Target	Revised Program Target	Target (Incremental change in performance)	Original Program Target	Revised Program Target	Target (Incremental change in performance)
0	0	0	0	\$120,000,000	\$120,000,000



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h. MONITORING AND EVALUATION:

Description of Agency Periodic Review of Partners' progress:

(1) Data Collection and Reporting

- a. **Spend Plan Submissions:** These identify each grantee's plan for the use of funds. For NSP2, the use of funds will be described in detail in the competitive applications. If selected, recipients will submit details on the proposed projects and activities to HUD's reporting system. HUD field staff must review and approve the plans in the system before any draw vouchers or performance reports may be submitted.
- b. **Financial Reports:** HUD will generate and analyze two financial reports. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and states.
- c. **Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contact data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees. HUD will collect summary information on program performance, start and end dates of each activity, national objective, number of housing units, location information including addresses of acquired and rehabilitated properties, dollars budgeted, obligated, and expended.
- d. **Sample Survey of Outcomes:** HUD has allocated a portion of the program funds for research, including an evaluation of NSP, which will measure changes in occupancy, tenure, and property values in NSP neighborhoods.

- (2) Ongoing Grantee Management:** HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and, if warranted, disciplinary action, accordingly. High Risk grantees are those who are new to the CDBG program, habitually poor CDBG or HOME performers, have open monitoring or audit findings, significant funding increases, recent critical staff turnover, extremely high Congressional or national media interest. HUD looks for factors, such as (1) timely expenditure of funds, (2) quality expenditure of funds, (3) budget/cost compliance, and (4) legal compliance and prevention of fraud. HUD may impose additional grant conditions such as more frequent reporting or HUD pre-approval of smaller draw requests than normal, and HUD may conduct frequent remote and on-site monitoring pursuant to existing monitoring guidelines and practices for the regular CDBG program (CPD Monitoring Handbook and Risk Analysis), with specific risk and monitoring guidelines under development for NSP. HUD staff and NSP TA contractors will provide a broad range of capacity building, such as on-site consultation and project-specific training, web and classroom training on technical areas such as land banking, financial compliance, environmental reviews and model program designs. The CDBG regulations in the 24 CFR 570.900 series provide for a very broad range of corrective actions and due process designed to stop noncompliance, prevent recurrence of the problem and mitigate the negative effects of the problem. HUD's choice of corrective actions ranges from sending a warning letter to a grantee, to requiring repayment of the grant funds, to legal action.



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- (3) **Longer Term Evaluation and Research:** HUD will perform an evaluation on NSP, which will capture changes in occupancy, tenure, and property values in NSP neighborhoods.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD 10 days after the end of each calendar quarter. This includes, but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. In addition, HUD will establish internal management controls to create a greater level of accountability for performance. There are three levels of internal performance reviews: 1) The HUD Recovery Act program management teams will work with the heads of the program and cross-cutting teams to prepare a bi-weekly program snapshot report for the steering committee to review with the Deputy Secretary and Secretary. Drawing from the program and risk management plans, the reports will include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets will be set to ensure that annual objectives from the program plans are met. Performance data will be summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, will be accompanied by an explanation of the reasons why, including any issues affecting progress and a specific plan for their resolution or mitigation. The report will also identify specific grantees with performance issues, and summarize the actions being taken to address them. 2) In addition to the bi-weekly program management team meeting and reporting, each program team will meet with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. 3) On a quarterly basis, these monthly meetings will include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Post-Implementation	<p>Staffing Resources :</p> <p>Given the new program's emphasis on real estate workouts, mortgage refinancing, and in some cases, bulk purchases of foreclosed properties, HUD needs to hire additional staff with a working level expertise.</p>	<p>Office of Block Grant Assistance (OBGA) is in the process of obtaining hiring authority for 41 additional staff positions to oversee new grant applications. Although hiring new staff with experience in this area is the most appropriate action, it may not be a feasible strategy. The Office of Block Grant Assistance is currently providing additional resources to provide funding.</p>	TBD

l. FEDERAL INFRASTRUCTURE INVESTMENTS

NSP is primarily a single family housing program. HUD expects that the majority of the funding will directly address housing needs associated with foreclosed and abandoned residential properties. However, a limited amount of infrastructure may be funded as grantees redevelop vacant or demolished properties and need to construct or renovate infrastructure to support their housing projects.

